

KENT COUNTY BOARD OF COMMISSIONERS

Thursday, June 23, 2016

Administration Building - Room 310

Meeting called to order at 8:30 a.m. by Chair James R. Saalfeld.

Present: Commissioners Antor, Bolter, Brieve, Chivis, Bulkowski, Hennessy, Jones, Kallman, Koorndyk, Mast, Morgan, Ponstein, Shroll, Stek, Talen, Voorhees, Chair Saalfeld - 17.

Absent: Vander Molen, Vonk - 2.

Invocation: Commissioner Bulkowski introduced Belinda Bardwell, Little Traverse Band of Odawa, who gave the invocation. The Pledge of Allegiance followed.

SPECIAL ORDER OF BUSINESS

Quality Service Employee Award (Second Quarter)

Chair Saalfeld acknowledged Rachel Jensen, a Health Department (Animal Shelter) employee who was named Quality Service Employee of the Second Quarter. Darius Quinn, Human Resources Manager – Employee Relations/Diversity, read a letter commending Rachel for her excellent service.

Comprehensive Annual Financial Report

Steven Blann from Rehmann Robson LLC reviewed the 2015 Comprehensive Annual Financial Report, the Single Audit Act Compliance, and the Management Letter (all of which are on file in the Office of the County Clerk). Rehmann gave Kent County a clean audit.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

- a) Approval of the Minutes of June 9, 2016, Meeting and Work Session
- b) June 7, 2016 Finance Committee Meeting
(Reports of Claims and Allowances)
- c) Resolutions:

6-23-16-51 – AUTHORIZATION TO SUBMIT A GRANT APPLICATION AND CONTRACT APPROVAL –
COMPREHENSIVE PLAN / COMMUNITY CORRECTIONS

WHEREAS, Public Act 511 of 1988 provides funding for Community Corrections Advisory Boards to administer and operate programs to provide alternatives to incarceration for offenders. The State requires a resolution approving the plan submission from the Board of Commissioners; and

WHEREAS, recommendations regarding funding for the Court Services Department (Pretrial Programs, Work Crew and Community Service Programs, Case Management and Risk Assessment), and the Sheriff Department - Correctional Facility (OUIL III Housing), as well as community-based organizations will be finalized following confirmation of funding level and award of funds from the State, and appropriated at that time; and

WHEREAS, the anticipated grant period is October 1, 2016 to September 30, 2017. It is expected that the grant will be renewable; and

WHEREAS, this item has been reviewed and recommended by the Finance and Physical Resources Committee for approval by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby approves the annual Community Corrections' Comprehensive Plan and application for funding under PA 511 of 1988; and

BE IT FURTHER RESOLVED that the Board of Commissioners hereby authorizes the Board Chair or designee to execute the grant agreement and approve grant extensions and changes, within 15 percent of the original award.

Motion by Commissioner Bulkowski, seconded by Commissioner Shroll, that the Consent Agenda items be approved.

Motion carried:

Yeas: Shroll, Koorndyk, Chivis, Bulkowski, Talen, Hennessy, Mast, Brieve, Kallman, Voorhees, Ponstein, Stek, Bolter, Jones, Morgan, Antor, Chair Saalfeld – 17.

Nays: 0.

RESOLUTIONS

6-23-16-52 – RENAISSANCE ZONE APPLICATION AND PAYMENT IN LIEU OF TAXES AGREEMENT
FOR SWITCH, LTD. IN GAINES TOWNSHIP / ADMINISTRATOR'S OFFICE

WHEREAS, Switch, Ltd. is a Nevada-based company interested in locating its eastern US data center in the former Steelcase pyramid building in Gaines Charter Township; and

WHEREAS, Switch, Ltd. estimates that it will invest \$151,190,000 in renovating and equipping the building and create 103 new, full-time jobs in the first phase of the project. The company projects this new investment will attract multiple co-located clients estimated to create at least 100 new jobs and generate significant new airport traffic, hotel occupancy, and other economic activity in the region and the State; and

WHEREAS, staff from the Michigan Economic Development Corporation and The Right Place, Inc., have identified Switch, Ltd. as a good candidate for Renaissance Zone support; and

WHEREAS, Renaissance Zone designation for the property entitles Switch, Ltd. to an abatement of most state and local taxes including real and personal property tax. The State reimburses intermediate school districts, local school districts, community college districts and public libraries for lost revenue where taxes are abated, but does not reimburse the County or local units of government for lost general property tax revenue; and

WHEREAS, by law only a qualified local governmental unit is eligible to apply to establish a Renaissance Zone. A qualified local governmental unit is defined as either (1) a county or (2) a city, village or township that contains an eligible distressed area as defined in section 11 of the State Housing Development Authority Act, Public Act 346 of 1966, MCL124.1411. Because Gaines Charter Township does not contain an eligible distressed area, Kent County must serve as the applicant of record for the designation; and

WHEREAS, in order to reduce the impact of the abatement on the County and Gaines Charter Township, Switch, Ltd. has agreed to pay to each entity an amount equal to all real property taxes (as determined by an agreed upon assessment process) for the duration of the designation; and

WHEREAS, additional significant terms of the agreement to be executed upon approval of the application by the State are as follows:

- Assumptions to be included in agreement
 - Name of entity to be bound by agreement (property owner vs. tenant).
 - Length of agreement – renewal extension provisions not automatic.
 - Capable of enforcement by Gaines or County with or without State involvement.
 - Personal property taxes are being 100 percent abated. No payment in lieu of taxes (PILOT) amounts are to be paid by the Company or any other tenant or co-located company located in the Renaissance Zone for personal property tax assessments or levies.
 - The Company may acquire the Property from Norman Pyramid, LLC without affecting terms of the Renaissance Zone or PILOT agreement.
- PILOT amounts to be determined, paid to Gaines (for distribution to all applicable taxing jurisdictions), and enforced as follows:
 - Gaines assessor to complete full assessment of property (real and personal) in normal course each year.
 - If Switch, Ltd. disagrees with assessment, Switch, Ltd. shall notify Gaines of such objection within 60 days after receipt of the assessment. Switch, Ltd. can hire (and pay for) independent appraisal with full appraisal conveyed to Gaines within 120 days after the receipt of assessment. Failure to complete and convey within 120 days results in assessor's valuation governing for that year.
 - If Switch, Ltd. appraisal shows lower valuation, Gaines can:
 - accept and change valuation,
 - challenge and hire own appraiser to do full report, or

- challenge Switch, Ltd.'s valuation and have Gaines' assessor and Switch, Ltd.'s appraiser mutually select independent appraiser to conduct new valuation which valuation will be binding for that year. Gaines and Switch, Ltd. to equally split the cost of this appraiser. New appraiser must have report done within 60 days of selection.
 - Final valuation as determined by the dispute resolution process immediately above to be basis for State reimbursement under MCL 125.2692 and PILOT payments.
 - PILOT payments to be paid in timely fashion. Switch, Ltd. to pay PILOT payments based on original appraiser's assessment if appraisal dispute process not yet completed at time regular bill is due. Failure to timely PILOT payments cancels the challenge process and the Gaines valuation will stand. Reconciliation of PILOT payment amount to occur within 30 days of finalization of valuation.
 - Valuation dispute resolution process can only be used every three years. Once set through dispute resolution process, that valuation will be the starting point for the Gaines assessor's valuation for year two which in turn will be the basis for valuation for year three. Switch, Ltd. may again use the challenge process the following year. If the assessment process increases the valuation because of new construction during the three-year period referenced above, the valuation of the new construction may be challenged using the dispute resolution process.
- Switch, Ltd. to receive from the State tax credits or exemptions as set forth in MCL 125.2692.
 - Switch, Ltd. to pay PILOT on following terms:
 - Pursuant to MCL 125.2692, State to pay various taxes for and to ISD, other school taxes, and library. If, during the term of this Agreement (including any extension), the State fails to timely reimburse as required by MCL 125.2692 or changes Michigan law in any way that would result in a lowering of the amount the State is to reimburse under MCL 125.2692 as currently written, Switch, Ltd. will increase its PILOT payments by the same amount.
 - Late payments will bear interest and accrue fees as if regular tax payments without PILOT agreement.
 - If Switch, Ltd. fails to pay amounts required by this Agreement on time, Switch, Ltd. will be deemed "substantially delinquent" as that term is used in MCL 125.2690 and it shall not be entitled to further Ren Zone exemptions or credits without further written agreement of all parties and all Switch, Ltd. property shall be subject to standard tax lien and enforcement process. This provision is deemed and agreed to be a statement of local policy on the definition of the term "substantially delinquent."
 - If the Company transfers all or part of the property subject to this Agreement, this Agreement shall terminate absent execution of another agreement between all parties prior to the date on which such transfer is effective; provided, that the Company may transfer all or part of the property to (i) any entity owned directly or indirectly by Switch, Ltd. or (ii) any successor company in connection with a merger, sale or conveyance of all or substantially all of the assets of the Company.

- Kent County and/or Gaines Charter Township may enforce the terms of this PILOT Agreement independent of the State of Michigan and shall have all other remedies available by law.

WHEREAS, this item has been reviewed and recommended by the Finance and Physical Resources Committee for approval by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby approves submission of an application to the Michigan Strategic Fund (MSF) to create an MSF Designated Renaissance Zone for parcels 41-22-01-101-002 and 41-22-01-126-001 in Gaines Charter Township for a period of 15 years; and

BE IT FURTHER RESOLVED that the County hereby acknowledges and accepts that if Renaissance Zone designation is granted, that persons and property within the Renaissance Zone are exempt from taxes levied by the County for the term of the designation as provided for in the Michigan Renaissance Zone Act; and

BE IT FURTHER RESOLVED that if Renaissance Zone designation is granted that the Board Chair is hereby authorized to enter into an agreement with Switch, Ltd., to provide for payment in lieu of taxes consistent with the above terms and conditions and in a form approved by County Corporate Counsel.

Motion by Commissioner Brieve, seconded by Commissioner Voorhees, that the resolution be adopted.

Motion carried:

Yeas: Shroll, Koorndyk, Chivis, Bulkowski, Talen, Hennessy, Mast, Brieve, Kallman, Voorhees, Ponstein, Stek, Bolter, Jones, Morgan, Antor, Chair Saalfeld – 17.

Nays: 0.

6-23-16-53 – ALLEGAN COUNTY EQUALIZATION AGREEMENT / EQUALIZATION

WHEREAS, Allegan and Kent Counties wish to enter into a three-year agreement whereby Kent County will oversee Allegan County's Equalization function. Kent County will add a Deputy Director of Equalization position for this purpose; and

WHEREAS, Kent County already oversees Montcalm County's Equalization function, which has resulted in standardized equalization practices in both counties. The partnership with Allegan County will further assist in efforts to move toward common equalization practices throughout the state; and

WHEREAS, Allegan County will cover all costs associated with this arrangement in full, including \$118,100 annually for the new Deputy Director of Equalization position and \$12,430 annually for travel mileage and cost allocation. Because this agreement is being entered into mid-year, the pro-rated costs for the remainder of 2016 will be \$65,265; and

WHEREAS, in the event that funding is eliminated or decreased, the position will be eliminated unless continuation funding is approved pursuant to Fiscal Policy on grants, contracts, and donations; and

WHEREAS, the agreement is effective July 1, 2016 through June 30, 2019; and

WHEREAS, Corporate Counsel has reviewed and approved the agreement as to form; and

WHEREAS, this item has been reviewed and recommended by the Finance and Physical Resources Committee and the Legislative and Human Resources Committee for approval by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby approve to enter into an agreement whereby Kent County will manage Allegan County's Equalization function, to appropriate \$65,265 to the 2016 Equalization Budget Special Projects Fund for this purpose, and to add a Deputy Equalization Director position to oversee Allegan County's Equalization function.

Motion by Commissioner Koorndyk, seconded by Commissioner Shroll, that the resolution be adopted.

Motion carried by voice vote.

6-23-16-54 – LABOR AGREEMENT: TECHNICAL, PROFESSIONAL AND OFFICEWORKERS
ASSOCIATION OF MICHIGAN (TPOAM) / HUMAN RESOURCES

WHEREAS, the Negotiating Committee recommends approval of a two-and-one-half-year labor contract with the Technical, Professional and Officeworkers Association of Michigan, which represents 323 County employees; and

WHEREAS, wages will increase two percent annually in 2016, 2017, and 2018; and

WHEREAS, in 2016, employees' share of healthcare premiums will increase from 17.5 percent to 20 percent. The additional \$25 per pay period healthcare contribution for employees whose spouses decline available health coverage by their employers will also be deleted. In 2017, \$250 single/\$500 family deductibles will be added to the HMO plan. In 2018, the out-of-pocket maximum under the County's healthcare plans will increase by \$1,000 (with a corresponding reduction of \$1,000 in the prescription out-of-pocket maximum to maintain compliance with limits set forth under the Patient Protection Affordable Care Act); and

WHEREAS, a new insured long-term disability program will replace the pension plan non-duty disability program in 2016. The employee pension plan contribution cap will increase from 8.5 percent of pay to 9.5 percent of pay in 2017; and

WHEREAS, a second wage tier will be created for employees hired on or after July 1, 2016; and

WHEREAS, a second tier of vacation and paid personal leave time will be implemented for employees hired on or after July 1, 2016; and

WHEREAS, the total three-year increase to salary and benefit costs is \$1,353,939; and

WHEREAS, the requirement for employees to pay union dues will be deleted, as required by P.A. 349 of 2012; and

WHEREAS, this item has been reviewed and recommended by the Finance and Physical Resources Committee and the Legislative and Human Resources Committee for approval by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby approve a two-and-one-half-year labor agreement for the period of June 23, 2016 through December 31, 2018, between the County of Kent and the Technical, Professional and Officeworkers Association of Michigan.

Motion by Commissioner Mast, seconded by Commissioner Shroll, that the resolution be adopted.
Motion Carried:

Yeas: Shroll, Koorndyk, Chivis, Bulkowski, Talen, Hennessy, Mast, Brieve, Kallman, Voorhees, Ponstein, Stek, Bolter, Jones, Morgan, Antor, Chair Saalfeld – 17.

Nays: 0.

6-23-16-55 – ACCEPT AND APPROPRIATE VARIOUS GIFTS AND GRANTS TO THE PARKS
DEPARTMENT MEADOWS CAPITAL IMPROVEMENT FUND / PARKS

WHEREAS, the Meadows of Millennium Park is currently in development and, when complete, will significantly expand recreational opportunities at Millennium Park with new trails, a boardwalk overlook, a large pavilion, an outdoor amphitheater, and additional parking and restrooms; and

WHEREAS, funding for the project has been provided primarily by the Peter F. Secchia Family (\$3.5 million) and \$200,000 in funding from the County's CIP Fund Budget; and

WHEREAS, additional funding has been made available for certain elements of the project, including the amphitheater, trail work, pavilion area, and a boardwalk with overlook; and

WHEREAS, gifts and an in-kind donation that were secured by Peter Secchia for the project, as well as additional contributions received or pledged to the Kent County Parks Foundation for Millennium Park and the Meadows project, need to be accepted and appropriated to the Meadows project for accounting and asset tracking purposes; and

WHEREAS, this item has been reviewed and recommended by the Finance and Physical Resources Committee for approval by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby accept and appropriate \$529,746 to the Meadows of Millennium Park Project in the Capital Improvement Program (CIP) Fund.

Motion by Commissioner Voorhees, seconded by Commissioner Koorndyk, that the resolution be adopted.

Motion Carried:

Yeas: Shroll, Koorndyk, Chivis, Bulkowski, Talen, Hennessy, Mast, Brieve, Kallman, Voorhees, Ponstein, Stek, Bolter, Jones, Morgan, Antor, Chair Saalfeld – 17.

Nays: 0.

PUBLIC COMMENT

There was no public comment.

REPORTS

Gerald R. Ford International Airport

Commissioner Morgan: The Airport will transition to an authority on July 1.

Land Bank Authority

Commissioner Ponstein: The Land Bank will work this year with four governmental entities (City of Walker, Village of Sparta, City of Kentwood and City of Grand Rapids) which have exercised their rights of refusal on properties. The Land Bank will be debt free by the end of the year. Its financial audit is available on line.

Lakeshore Regional Entity

Commissioner Stek: The Lakeshore Regional Entity (LRE) held its first meeting under the new structure and distributed \$1,000,000 to Network180.

MISCELLANEOUS

Veteran Recognition

Com. Antor: Thanked State Representative VerHeulen and Chair Saalfeld for presenting proclamations to World War II and Korean War veterans this past weekend.

Meadows at Millennium Park

Commissioner Voorhees: The ribbon cutting for the Meadows at Millennium Park is scheduled for July 28.

Thank You

Commissioner Ponstein: Thanked Commissioner Antor for his work recognizing veterans in the community and Commissioner Stek for his work on the Lakeshore Regional Entity.

Disability Advocates Coffee

Commissioner Bulkowski: Commissioners are invited to a coffee with Disability Advocates on July 19 at the Mary Free Bed YMCA to discuss public transportation. Disability Advocates has met with The Right Place, which is aware of transportation disconnects.

Veterans Ombudsman

Commissioner Bolter: Thanked Commissioner Antor for his work with veterans. Recognized Representative MacGregor who was instrumental in getting Senate Bill 809 passed yesterday which establishes a state veterans ombudsman.

Congratulations

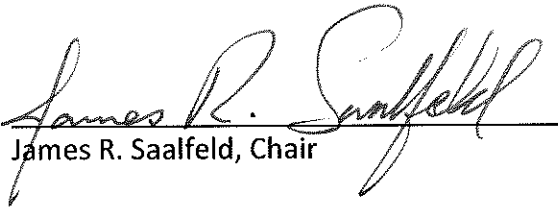
Commissioner Chivis: Congratulated her mother, D.J. Chivis, who won the national Miss Classic American Coronet contest.

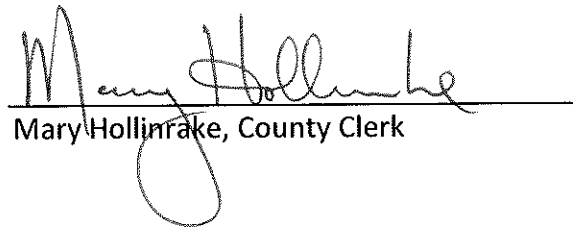
Equalization Agreement

Chair Saalfeld: The equalization agreement with Allegan County that passed today is another example of government collaboration supported by the Community Collaboration Work Group Report.

ADJOURNMENT

At 9:38 a.m., Commissioner Bulkowski moved to adjourn, subject to the call of the Chair, and to Thursday, July 28, 2016, Room 310, County Administration Building, at 8:30 a.m., for an Official Meeting. Seconded by Commissioner Koorndyk. Motion carried.


James R. Saalfeld, Chair


Mary Hollinrake, County Clerk